



Attorney general, Citizens Utility Board criticize water rate hike

Average Peorian will have \$5.76 added to monthly bill after ICC decision

**By PAM ADAMS (padams@pjstar.com)
of the Journal Star**

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PEORIA — Beginning next week, the average Peorian's water bill will rise to about \$40 a month, excluding taxes and fees. That's less than what Illinois American Water Co. wanted but more than consumer advocates expected from the Illinois Commission's unanimous vote Wednesday allowing the water company to raise an extra \$41.4 million yearly from customers throughout the state.

Illinois American's average customer in Pekin can expect to start paying about \$30 a month April 23, pending final staff approval.

A residential customer in Peoria using 5,250 gallons of water a month will see his or her bill go up by \$5.76 monthly figures from the water company. A Pekin residential customer using the same amount of water will see an increase of \$5.76.

The Illinois Attorney General's office, on behalf of municipalities, ICC staff, consumer advocacy groups and hundreds of other public water systems had argued Illinois American couldn't justify asking ICC approval for an extra \$61 million in annual revenues, the amount the company requested, mainly for infrastructure improvements, in its May 2009 filing for a rate increase.

Commissioners agreed, slicing almost \$20 million from Illinois American's original request and issuing a stern warning to the largest water company for not following directives about filing proper justification and documentation for rate increases granted amount to 22.4 percent in Peoria and 23 percent in Pekin.

Illinois Attorney General Lisa Madigan's office also took a harsh position on the rate increase.

While acknowledging the ICC accepted many of its recommendations, a statement released by the Attorney General said, "Other public water systems in Illinois are limiting their increases to single digits, while Illinois American is increasing rates by more than 20 percent. It is absolutely essential that this company exercise the fiscal discipline these times require, limit its rate increases and stop asking consumers to pay for repeated rate increases."

Jim Chilsen, a spokesman for the Citizens Utility Board, said the ICC decision was a step in the right direction but not the one he wanted. CUB fought the rate increase, arguing Illinois American couldn't justify more than half of the \$61 million request.

"We continue to believe the company didn't deserve this much of a rate hike," Chilsen said.

Still, commissioners reduced the amount more than the \$47 million an administrative law judge had recommended. The other side of the issue can appeal the decision. CUB is reviewing the order to assess its next step.

The rate increase comes right after the city of Peoria initiated a water utility tax on customers and shortly before the city is expected to announce a decision on Ameren's request for an increase in gas and electricity rates.

An Illinois American news release did not mention the ICC's \$19.6 million reduction of its request. Instead the company said it will invest the \$150 million it already has invested in infrastructure improvements across the state, including \$16 million in the Peoria area and \$3.5 million in the Pekin area, last year and this year.

Illinois American provides service to 317,000 customers from southern Illinois to Chicago suburbs. Customers will receive more information explaining the rate increases in their June water bills.

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loveliberty

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Dear Leach,Gordon and Koehler - Quit putting lobbyists on the ICC.....you CORRUPT #@%^\$s.....

dlosh

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The same ICC that approved Blago's corrupt plan of deregulating COMED. Now the state has to give electricity welfare to people so they can heat was in Blago's pocket.

peoria78

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Should be criticizing Ameren as well.....I got a bill for \$391.00 just is heating fuel for February to March 516 therms they said I used and I know :
****.....in all my 10 years in this house I have never used that many therms. Last year i used 283 therms in the same period plus I run electric heat
my thermostat is in I called them and pitched a fit over it. Right before winter Ameren was at my house twice switching out the reading head on
them crooked ****s put a head on that read higher to rob me of money they didn't earn so they could get the millions they wanted in hikes.

ikidunot

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If it were not for the MAJORITY PUBLIC OWNED UTILITIES who have kept the rates lower, the ICC would have granted even more to the Robt American Water Co. The Public owned utilities help to keep the few private companies somewhat honest by providing a benchmark. Peoria and i mayor missed the boat by not buying the company out.

Blink

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Hey kidunot, I recall that the city wanted to buy the water company and using IAWC projections of rate increases already planned, the city could term not mine) of around a million a year to help developers. If they had said that they would hold off on increases to HOLD DOWN charges to tl have had a prayer. How quickly we forget.....

CallMeNancy

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